

Message Text

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ACTION NEA-09

INFO OCT-01 ISO-00 AID-05 EB-07 /022 W

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R 190810Z APR 75

FM AMEMBASSY ABU DHABI

TO SECSTATE WASHDC 2851

INFO AMEMBASSY BEIRUT

AMEMBASSY JIDDA

AMEMBASSY TEHRAN

USDOC WASHDC

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E.O. 11652: N/A

TAGS: ECRE, BTIO, TC

SUBJECT: ABU DHABI HOSPITALS ROLL ON

REF: (A) ABU DHABI 216 (B) ABU DHABI 227

1. ABU DHABI PUBLIC WORKS DEPARTMENT (PWD) IN CONSULTATION

WITH PROJECT CONSULTANTS TAC OF CAMBRIDGE, MASSACHUSETTS, HAS ISSUED ITS SHORT LIST OF FIRMS INVITED TO BID FOR CONSTRUCTION OF GENERAL HOSPITALS IN ABU DHABI AND AL-AIN.

2. OVER FIFTY FIRMS RESPONDED TO THE ORIGINAL ANNOUNCEMENT (REF A) AND EXPRESSED INTEREST IN PREQUALIFICATION. OF THESE FIRMS, THE FOLLOWING WERE INVITED TO BID:

(A) AMERICAN (4): PERINNI CORPORATION, FRAMINGHAM, MASSACHUSETTS; BLOUNT BROTHERS, NEW YORK, NEW YORK; COMSTOCK INTERNATIONAL, NEW YORK, NEW YORK; VAPPI & CO., CAMBRIDGE, MASSACHUSETTS.

(B) LEBANESE (1): CONTRACTING AND TRADING CO. (CAT). BEIRUT.

(C) WEST GERMANY (3): GRUEN & BILLFINGER, MANNHEIM; DYCHERHOFF & WIDMANN, MUNICH; PHILLIP HOTLZMAN, FRANKFURT.

(D) U.K. (1): HIGGS & HILL, NEW MALDEN, SURREY.

(E) JAPAN (1): SHIMIZU CONSTRUCTION CO., TOKYO.

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(F) ITALY (1): IMPRESIT, MILAN.

(G) FRANCE (3): BOUYGUES, CLAMART; SAINRAPT ET BRICE, PARIS; GROUP DEROMEDI, PARIS. OF THESE, SAINRAPT ET BRICE IS NOT BIDDING, AND BOUYGUES AND DEROMEDI PLAN TO SUBMIT SINGLE BID.

3. ALL OF THESE FIRMS ARE OUTSTANDING INTERNATIONAL CONTRACTORS, WHO ARE CAPABLE OF BUILDING ABU DHABI A FIRST-CLASS HOSPITAL. COMPETITION FOR THIS PROJECT IS ALREADY INTENSE, AND LOCAL BUSINESSMEN ARE BUSY NEGOTIATING REPRESENTATION AGREEMENTS. ACCORDING TO LOCAL BAZAR RUMORS (ABOUT AS RELIABLE AS ANYTHING ELSE IN ABU DHABI), THE CONTRACT HAS ALREADY BEEN PROMISED SEPARATELY TO AT LEAST A DOZEN COMPETING GROUPS OF LOCAL INTERESTS. AT SAME TIME, EMBASSY RECEIVING INQUIRIES FROM U.S. HOSPITAL MANAGEMENT AND EQUIPMENT COMPANIES, WHO CORRECTLY SEE THIS PROJECT AS MAJOR OPPORTUNITY.

4. CRUCIAL QUESTION NOW IS WHETHER ABU DHABI AND AL-AIN HOSPITALS WILL EVER BE BUILT. GENERAL HOSPITAL PROJECT HAS BEEN UNDER CONSIDERATION HERE FOR OVER EIGHT YEARS, AND THIS PROJECT COULD GO THE WAY OF EARLIER ONES. IN THE PAST, WHEN THE ABU DHABI GOVERNMENT HAS FOUND THE BIDS ON LARGE PROJECTS HIGHER THAN ANTICIPATED (AND BUDGETED), IT HAS RETENDERED ENTIRE PROJECT. AS A RESULT A NEW SET OF EVEN HIGHER BIDS ARE RECEIVED A YEAR LATER AND PROJECT IS DELAYED FURTHER. THREE YEARS AGO COST OF TWO GENERAL HOSPITALS ESTIMATED AT DH 100 MILLION, BUT COST ESTIMATES OF PRESENT PROJECT NEW BETWEEN DH 650 AND DH 700 MILLION.

5. IF THIS PROJECT WERE WHITE ELEPHANT, SUCH DELAYS MIGHT BE ULTIMATELY BENEFICIAL IF THEY RESULTED IN PROJECT CANCELLATION. HOWEVER, ABU DHABI HAS IMMEDIATE NEED FOR MODERN HOSPITAL, WITH PATIENTS FROM HERE ALREADY PUTTING STRAIN ON FACILITIES OF RASHID HOSPITAL IN DUBAI. IN MEANTIME, ONE CAN ONLY ADVISE ABU DHABI RESIDENTS NOT TO GET SICK.

6. COMMENT: COMPOSITION OF SHORT LIST OF BIDDERS IS CLEAR DEMONSTRATION OF IMPORTANCE HAVING U.S. ARCHITECTS AND CONSULTANTS WORKING ON THESE MAJOR PROJECTS. ALTHOUGH PRESENCE U.S. CONSULTANTS BY NO MEANS LIMITED OFFICIAL USE

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GUARANTEES JOB TO AMERICAN CONTRACTOR, IT AT LEAST GIVES U.S. FIRM OPPORTUNITY TO LEARN OF PROJECT AND BID ON IT BEFORE IT CAN BE QUIETLY NEGOTIATED IN LONDON OR PARIS. STERNER

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